

PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation into Required Customer Service Conservation Spending

5-BU-102

ORDER

On December 23, 2011, the Public Service Commission of Wisconsin (Commission) issued a Notice of Investigation and Request for Comments to utilities and interested stakeholders affected by the Commission's Order of January 4, 2001, in docket 5-BU-100. The investigation focuses on two issues: (1) the continued need for utility customer service conservation (CSC) expenditures mandated by the Commission in 5-BU-100; and (2) creation of a framework to ensure ratepayer funds spent on Focus on Energy (Focus), voluntary utility programs, and CSC activities offer customers a seamless, complementary path toward cost-effective achievement.

At its open meeting of June 15, 2012, the Commission considered several issues regarding CSC expenditures and activities. The Commission finds that there is no longer a need to require a minimum spending level on CSC activities and services. Additionally, it is not appropriate to establish maximum CSC funding levels. The mandatory spending level established in docket 5-BU-100 is no longer needed because of the many changes in the energy efficiency market, including the establishment of statewide programs with a stable level of funding. The Commission also finds that establishing a definition for CSC and providing general guidelines regarding appropriate CSC activities and services will guide utilities in determining what CSC activities and services to offer and their appropriate funding level. Finally, the Commission finds that no additional guidance is necessary at this time, and utility

proposals for CSC activities will be evaluated on a case-by-case basis. Commission staff should work with utilities on the overall design of CSC services and activities, and the development of appropriate metrics. Additional guidance may be provided in the future based on experiences during the upcoming year.

Based on these findings, the Commission orders:

1. Utilities are not required to spend a minimum amount annually on CSC activities.
2. The definition of CSC is “those activities and services that a utility provides its customers to: (1) help them understand and control their energy use and bills; (2) create customer awareness of energy efficiency and its value; (3) provide information and assistance related to energy efficiency topics; or (4) encourage and assist customers to take advantage of other services provided by Focus on Energy and federal and state energy programs. Fifty-one percent (51%) of an activity or service must be dedicated to energy efficiency in order to meet the definition of CSC.” The Commission shall reevaluate the appropriateness and scope of this definition based on experiences during the upcoming year.
3. Appropriate CSC activities and services are those proven to be effective that:
(1) educate customers, particularly underserved customers, about what are and what are not legitimate practices and measures for energy conservation and efficiency; (2) improve customers’ awareness and understanding of actions that can control their energy use and costs through their own actions and by using energy efficiency programs; (3) research emerging technologies and conduct pilot programs that, if proven cost-effective, may in time be adopted by

Focus; or (4) foster an annual flow of new and repeat customers who use Focus to install energy efficient equipment.

4. Commission staff shall work with utilities on a case-by-case basis to:

a. Ensure the overall design of CSC activities and services is consistent with the Commission-approved CSC definition and CSC activities and services guidelines.

b. Ensure only appropriate CSC expenditures are allowed escrow treatment.

Load management expenditures shall not be allowed escrow treatment.

c. Determine annual spending on CSC activities and services.

d. Develop appropriate metrics for assessing the effectiveness of CSC expenditures in conjunction with program development.

e. To the extent practicable, make uniform the CSC filings of the utilities to facilitate the staff audit process and a reasonable comparison of CSC activities between the utilities.

5. Jurisdiction is retained.

6. This Order shall take effect one day after the date of mailing.

Dated at Madison, Wisconsin, this 12th day of July, 2012.

By the Commission:



Sandra J. Paske
Secretary to the Commission

SJP:ALC;jlt:DL:00582974

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.